



Two-tier system company

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No.:2520/27/02/2019.

To: FINANCIAL SUPERVISORY AUTHORITY - Financial Instruments and Investments Compartment
BUCHAREST STOCK EXCHANGE

Referring to: Extraordinary General Shareholder's Meeting Convening 03/04/2019
Current report according to Regulation no. 5/2018 on issuers of financial instruments and market operations
Report date: 27/02/2019

Name of issuing authority: VES SA

Registered office: Sighisoara, str. Mihai Viteazul, no. 102.

Telephone/fax: 0365/808884 or 0365/808885.

Unique registration code with the Trade Register Office: RO 122.36.04.

Trade Register number: J-26-2/1991.

Subscribed and paid-up share capital: 11,881,718.5 lei.

The regulated market on which the issued securities are traded: Bucharest Stock Exchange

Privileged information

According to article 234 (1) a), b) and c) of Regulation no. 5/2018 on issuers of financial instruments and market operations, VES SA inform their investors that on the grounds of:

- Companies Law no. 31/1990, republished, with the subsequent amendments;
- Law no. 24/2017 on issuers of financial instruments and market operations;
- Regulation no. 5/2018 on issuers of financial instruments and market operations;

and considering the request to convene the Extraordinary General Shareholder's Meeting from February 22nd 2019, addressed by Chimsport SA shareholder, holding 48.14% of the share capital of the Company, the Board of VES SA convened in the session from February 26th 2019, deciding the attendance of the Extraordinary General Meeting of the Shareholders for April 3rd 2019.

NOTICE TO ATTEND

The Executive Board of VES S.A., headquartered in Sighisoara, str. Mihai Viteazul nr. 102. Mureş County, registered in the Trade Register under no. J26/2/1991, unique registration code RO 1223604, subscribed and paid-up share capital of 11.881.719 RON, represented by Chairman Ciobotărică Ion Laurențiu,

Considering that:

- Chimsport SA, as shareholder of the Company holding more than 5% of the share capital, submitted a written request, received on February 22nd 2019 to convene an Extraordinary General Shareholder's Meeting, essentially demanding the increase of the share capital of the Company with the sum of 37.387.104 RON, based on article 119 (1) of Company Law no. 31/1990, with the subsequent amendments, on article 92 (3) of Law no. 24/2017 on issuers of financial instruments and market operations and on article 189 of Regulation no. 5/2018 on issuers of financial instruments and market operations

Convened in the session from February 26th 2019, deciding the attendance of the **Extraordinary General Meeting of the Shareholders** of the Company, in accordance with the provisions of the law and of the statute, for April 3rd 2019, at 11.00, in Cluj-Napoca, Fagului Street, no. 83, Cluj County.



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The notice to attend is addressed to all shareholders registered with the Shareholders' Registry at the end of the day of March 19th, 2019, considered as the reference date for the holding the Meeting.

If on April 3rd, 2019 the presence quorum stipulated by the legislation in force and by the Articles of Incorporation of the Company are not met, there shall be convened and fixed - on the grounds of Article 118 of Law no. 31/1990, republished - the Second General Meeting of Shareholders for April 4th 2019 at the same time, in the same place and with the same agenda.

The agenda of the Extraordinary General Meeting of the Shareholders is the following:

1. Approval of the increase of the share capital of VES SA with a total sum of 37.387.104 RON, by issuing a number of 373.871.042 new nominal ordinary uncertificated shares, without share premium, each with a nominal value of 0.1 RON/share. The increase of the share capital will be carried on according to article 88 of Law no. 24/2017 on issuers of financial instruments and market operations, through the following means:
 - a. by partial conversion/compensation of the claims held against the Company until December 31st 2017, resulting from loans granted by Chimsport SA shareholder, a Romanian two-tier system legal entity headquartered in Cluj-Napoca, Fagului Street, no. 83, Cluj county, having a unique registration code RO 11836894, registered in the Trade Register under no. J12/124/2013, with a maximum amount of 180.000.000 new shares issued by the Company. Out of the total amount of the Chimsport SA's claim against Ves SA, a part of it, respectively the maximum amount of 18.000.000 RON, will be converted/compensated with shares owned by Chimsport SA. Thusly, The Company will issue a amount of 180.000.000 new shares, of 0.10 RON each, with a total value of 18.000.000 RON which will be acquired along with the GMS resolution, through conversion/compensation of the Chimsport SA claims.
 - b. Through an additional capital contribution in cash, with first refusal right, as a result of the additional issue by Ves SA, according to point a) from above, of 193.871.042 new shares, according to article 88 of Law no. 24/2017, that can be subscribed by the other shareholders of Ves SA limited to every shareholder's ratio from the whole share capital at registration date, in order to allow every shareholder to keep the owned ratio of the share capital, according to article 173 (3) of Regulation no. 5/2018
 - c. The period for exercising the first refusal right will be one month starting from the date established in the offering circular which will be prepared for the increase of share capital by exercising the first refusal right. The first refusal rights are not transferable.
 - d. The increase of the share capital is performed to sustain the Company's recovery and development, by offering the aforementioned new shares to all VES S.A. shareholders registered with the Shareholders' Registry at the registration Date. Each shareholder registered with the Shareholders' Registry at the registration Date will have the right to subscribe new shares based on the first refusal right, proportionally with the amount of owned shares. The adjustment algorithm is applicable to the low total, according to article 90 (4) of Law no. 24/2017 on issuers of financial instruments and market operations. The issuing price for a newly issued share subscribed following the exercise of the first refusal right by shareholders registered with the Shareholders' Registry at the registration Date will be that of 0.1 RON/share, equal to a share's nominal value.
 - e. The Board is mandated for every necessary action for executing the increase in share capital resolution, including, but not limited to:



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- Choosing an agent and signing the brokerage contract for increasing the share capital
Contracting any other services for the necessary documentation for implementing the increase in share capital, such as: writing and signing the prospectus for exercising the right of first refusal, the progress of the increase in share capital as well as every other operation until the completion of the GMS resolution;
The preparation and approval of subscription forms
Nullifying the unsubscribed shares
 - Adopting all the necessary decisions for implementing the increase in share capital resolution
2. according to article 2 (2), f), 1) and article 176 of Regulation no. 5/2018 on issuers of financial instruments and market operations, the approval:
- Of April 23rd 2019 as a registering date for identifying the shareholders upon whom the GMS resolution takes effect, according to article 86 (1) of Law no. 24/2017 on issuers of financial instruments and market operations;
 - Of April 22nd 2019 as Ex date, according to article 2 (2), h) and article 176 of Regulation no. 5/2018 on issuers of financial instruments and market operations, the approval:
 - Of April 24th 2019 as payment date, according to article 178, (4) of Regulation no. 5/2018 on issuers of financial instruments and market operations

3. The approval to assign to the Board chair the tasks of verifying and ascertaining the increase of share capital conditions according to those decided by the General Shareholders' Meeting, as well as to assign the task of registering the increase in share capital, by making decisions, asking/obtaining documents, notifying information, resolution/decision publicity, signing the amended Articles of Incorporation which comprises the new shareholders structure after the increase in share capital, implementing all publicity and registration formalities with the competent authorities, from the General Meeting of the Shareholders to the Board of Ves SA.

3. The approval to amend the Articles of Incorporation of the Company following the increase in share capital by issuing new shares and their conversion/compensation with the claims owned by Chimsport SA, as well as cash subscription, respectively article 7 of the Articles of Incorporation referring to *share capital*, with the following content:

Article 7 Share capital

The subscribed and fully paid up share capital is XXX lei, divided into XXX shares, nominative and indivisible, in dematerialised form, with a nominal value of 0.10 lei/share and has the following structure:

- Chimsport SA, a Romanian legal entity headquartered in Romania, Cluj-Napoca, Fagului Street, no. 83, Cluj Napoca County, registered in the Trade Register under no. J12/124/2013, having a unique registration code 11836894, holding a total of XXX shares, totalling XXX lei representing XXX% of the share capital of the Company with a contribution in profits and losses of XXX%;
- Other shareholders, natural and legal persons, holding a total of XXX shares, totalling XXX lei, representing XXX% of the share capital of the Company, with a contribution in the profits and losses of XXX%.



I. One or more shareholders holding, individually or collectively, at least 5% of the Company's share capital, as registered at the reference date, shall have the right to enter new items on the agenda of the Extraordinary General Meeting of the Shareholders in term of 15 days from the publication of the notice to attend, provided that each item is accompanied by a justification or a draft resolution proposed for adoption by the GMS.

Shareholders are also entitled to submit draft resolutions for the items included or proposed for inclusion on the agenda of the General Assembly no later than 14.03.2019. These rights shall only be exercised in writing.

II. Shareholders shall have the right to ask questions related to items on the agenda above-mentioned, and the answers shall be published on the company's website www.ves.ro. The questions shall be submitted or sent in a manner allowing the registration with the Company Registry, no later than 01.04.2019, 11:00 am, in a sealed envelope, with the clear mention in capital letters "FOR THE EXTRAORDINARY GENERAL ASSEMBLY OF SHAREHOLDERS of 03/04.04.2019".

III. Shareholders registered on the reference date may exercise the right to participate and vote directly in the General Meeting of Shareholders on the basis of the BULLETIN or the Identity Card, as well as the right to vote by correspondence or through a representative with a special proxy or general power of attorney, according to the information displayed on the Company web page www.ves.ro, the GMS section if the shareholders assign representatives to participate and vote in the General Meeting of Shareholders, the notice of their assignment will be submitted only in writing to the Company.

IV. The ballot forms by mail and special proxy forms in Romanian and English languages to represent shareholders in general meetings of shareholders may be obtained at the company and on the company website www.ves.ro. 30 days before the GMS, respectively starting on March 4th 2019.

Upon filing the vote by correspondence form, in Romanian or English languages, with a signature certification from a notary public, together with a copy of the identity document - for natural persons and a copy of the registration certificate together with the Certificate of Good Standing in original copy, issued no more than 3 months prior to the first meeting or the equivalent documents issued by the competent authorities of the country of residence of the shareholder - for legal entities, shall be filed or sent to the Company's registered office so that they are registered with the Company Registry until 01/04/2019 at 11.00 in a sealed envelope, with the clear mention in capital letters "VOTE BY CORRESPONDENCE FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS of 03/04/04/2019".

Correspondence voting forms that are not received in the form and term stipulated in this notice to attend shall not be taken into account for determining the presence and voting quorum as well as for counting votes in General Meeting of Shareholders.

V. Upon filing, the special proxies in Romanian or English languages shall be submitted or sent in original copy to the Company's registered office so that they are registered with the Company Registry no later than 01/04/2019 at 11.00 in a sealed envelope with the clear mention in capital letters "FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 03/04/04/2019".

The proxies are drawn up in three original copies, one of which shall be sent to the company according to the aforementioned procedure, one shall remain with the representative in order to prove his/her capacity as a representative at the request of the technical secretariat, and one copy shall remain to the shareholder. Proxies may be sent electronically to the office@ves.ro, provided that the original is transmitted to the Company in accordance with the provisions of Article 125 par. 3 of Law 31/1990 and of this notice to attend. Special proxies in original copy filed or sent after 01/04/2019 shall not be taken into account for determining the presence quorum nor for counting votes in General Meetings.



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VI. The shareholder may award a general power of attorney valid for a period not exceeding three years, allowing his/her representative to vote on all aspects of the general meetings of shareholders of the company identified in the power of attorney, including acts of disposition, provided that the power of attorney is granted by the shareholder, as a client, to an intermediary or a lawyer. The general power of attorney in copy, including the mention of compliance with the original copy under the signature of the representative accompanied by a copy of the identity card or the registration certificate of the represented shareholder and a copy of the identity card or the representative's registration certificate shall be filed at company headquarters by 01/04/2019 at 11.00. The shareholders may not be represented in the GMS on the basis of general proxy by a person who is in a conflict of interests situation, according to Article 243 paragraph 6 of Law 297/2004.

VII. Only persons who are registered as shareholders on the reference date have the right to participate and vote in the General Meetings of Shareholders dated 03/04/04/2019 personally or through a representative.

VIII. Documents and informative materials related to the items on the agenda, as well as the draft resolutions for the items on the agenda, as the case may be, are available to the shareholders at the Company's headquarters in Sighișoara, Mihai Viteazul Street, no. 102, Mureș County and are published on the company's website www.ves.ro starting with 04/03/2019.

Additional information can be obtained from the company's headquarters or at 0365-808884 or 0365-808885.

Chairman of the Executive Board

– Ciobotărică Ion Laurențiu

